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SUBJ: OKAMOTO DESCRIBES DETERIORATING JAPAN-CHINA RELATIONS

¶1. Summary: Yukio Okamoto, former foreign policy advisor to Prime Ministers Koizumi and Hashimoto, spoke in Amsterdam March 14 on Japan-China relations. The talk, co-sponsored by the Japanese Embassy and the Japanese Chamber of Commerce and Industry in Amsterdam, drew several hundred Asian and European businessmen, diplomats and academics. Okamoto painted a frightening picture of the chill in Japanese relations with China, as well as with Russia and the two Koreas. End summary.

¶2. He focused on China's quest for resources, its unsustainable economic development model, its military growth, and its increasingly aggressive diplomatic posture. He underlined the need for both China and Japan to address honestly the issue of past Japanese aggression. Finally, he noted that Japanese companies had begun diverting investment from China to more hospitable countries, such as Vietnam.

¶3. Answering a senior Dutch diplomat's assertion that he ignored the many positive aspects of the Japan-China relationship, Okamoto said, "I'll be frank. We've been playing with superficial rhetoric of Japan-China friendship (since 1972 normalization), only to see that the relationship has (this whole time) been eroding." He expected relations to continue to deteriorate for some years, even if the Japanese and Chinese governments took the very difficult steps necessary to improve them.

¶4. Regarding natural resources, he said, "China's quest for world resources is almost insatiable." "In Africa," he continued, "China's willingness to bear up with instability and corruption is resulting in a lockout of Japanese purchases." By contrast, Japan's policies on nuclear proliferation posed a real risk that supplies from Iran would become more difficult to acquire.

¶5. Okamoto dismissed claims that India posed an economic threat, noting that India has safety valves and has not embraced mercantilist policies. "This is not the case with China," he noted. "China is," he said, "seeking ... a suspension of the laws of scarcity." Moreover, "the (Chinese) system is not diffusing the benefits" of economic growth to the interior "and is not creating an environment for sustainable investment led growth."

¶6. "But the ultimate threat from China," said Okamoto, "is its military growth." He pointed to Japan's deteriorating relations with all of its continental neighbors (PRC, ROK, DPRK, and Russia) and said that Japan must prevent a rift between continental and maritime Asia. China's increasingly aggressive diplomatic posture, though, made this task difficult. Its active lobbying against Japan's UNSC seat bid, as well as last year's anti-Japanese riots, had been a wake up call in Japan.

Arnall